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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

SUNDALE UTILITIES, INC. ) DOCKET NO.  
 ) 08-0549  
Proposed general increase in water )  
and sewer rates. (Tariffs filed )  
August 12, 2008) )

Springfield, Illinois  
Tuesday, February 10, 2008

Met, pursuant to notice, at 9:00 a.m.

BEFORE:

MS. LISA TAPIA, Administrative Law Judge

APPEARANCES:

MR. BRADLEY W. SPURGEON  
2465B Washington Road  
Washington, Illinois 61571  
Ph. (309) 444-4569

(Appearing on behalf of Sundale  
Utilities, Inc.)

SULLIVAN REPORTING COMPANY, by  
Carla J. Boehl, Reporter  
Ln. #084-002710

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APPEARANCES: (Continued)

MR. JAMES V. OLIVERO  
Office of General Counsel  
527 East Capitol Avenue  
Springfield, Illinois 62701

(Appearing on behalf of Staff of  
the Illinois Commerce  
Commission)

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I N D E X

| <u>WITNESS</u> | <u>DIRECT</u> | <u>CROSS</u> | <u>REDIRECT</u> | <u>RECROSS</u> |
|----------------|---------------|--------------|-----------------|----------------|
| BRAD SPURGEON  |               |              |                 |                |
| By Mr. Olivero |               | 12           |                 |                |

EXHIBITS

|  | <u>MARKED</u> | <u>ADMITTED</u> |
|--|---------------|-----------------|
| ICC Staff 1.0, 1.1   | E-Docket      | 16              |
| ICC Staff 2.0, 2.1   | E-Docket      | 16              |
| ICC Staff 3.0, 3.1   | E-Docket      | 16              |
| ICC Staff 4.0  | E-Docket      | 16              |
| ICC Staff 5.0, 5.1   | E-Docket      | 16              |
| Sundale Utilities Tariffs,<br>Financial Sheet, Direct Testimony,<br>Rebuttal Testimony, Depreciation<br>Schedules and Water & Sewer Bill<br>Form | E-Docket      | 20              |

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1 JUDGE TAPIA: That's fine. Anyone else wishing  
2 to enter an appearance? Hearing nothing, there are  
3 no more people entering an appearance.

4 Will you call your first witness? The  
5 Company, you will be testifying today?

6 MR. SPURGEON: Yes.

7 JUDGE TAPIA: Will you raise your right hand?

8 (Whereupon the witness was duly  
9 sworn by Judge Tapia.)

10 JUDGE TAPIA: Thank you. Mr. Olivero?

11 BRAD SPURGEON

12 called as a witness on behalf of Sundale Utilities,  
13 Inc., having been first duly sworn, was examined and  
14 testified as follows:

15 CROSS EXAMINATION

16 BY MR. OLIVERO:

17 Q. Mr. Spurgeon, you have had an opportunity  
18 to review the rebuttal testimony of Christopher Boggs  
19 which was filed on February 4, 2009, identified as  
20 ICC Staff Exhibit 5.0, have you not?

21 A. Yes, I have.

22 Q. And in that rebuttal testimony Mr. Boggs

1       had made two recommendations to the Company. Do you  
2       recall those as well?

3             A.    Yes.

4             Q.    Do you have any issue or would the Company  
5       be willing to implement the two recommendations  
6       suggested by Mr. Boggs regarding the tariff language  
7       and then a copy of its bill form as a filed tariff  
8       sheet?

9             A.    Yes, we will.

10            Q.    You will?

11            A.    Comply by it.

12            Q.    And have you done anything on that already?

13            A.    Not on that particular thing, no.

14            Q.    But you do anticipate doing so?

15            A.    Yes. Actually, I have got a couple of  
16       papers sent to me. That one in question, I believe  
17       my bookkeeper has already taken care of it, I think.  
18       I have to double check on it, to be honest with you.

19            Q.    But either way you would be willing to...

20            A.    Oh, yes.

21            Q.    ..implement those suggestions and  
22       relations?

1 I think that was all that I had, Your  
2 Honor.

3 JUDGE TAPIA: Okay. And, Mr. Boggs, you  
4 understand how to implement -- I mean, understand  
5 what he is asking for, the recommendation, and how to  
6 proceed with it?

7 MR. SPURGEON: Yes.

8 JUDGE TAPIA: Any other witnesses will be  
9 testifying today?

10 MR. SPURGEON: No.

11 JUDGE TAPIA: Mr. Olivero, are you presenting  
12 any witnesses today?

13 MR. OLIVERO: No, we were going to put our  
14 testimony in by affidavit.

15 JUDGE TAPIA: We will just go ahead and start  
16 with Staff. What would you like to enter into  
17 evidence, Mr. Olivero?

18 MR. OLIVERO: Your Honor, at this time Staff  
19 moves for admission into the record of ICC Staff  
20 Exhibit 1.0 which is the direct testimony of Mary H.  
21 Everson which consists of a cover page, a table of  
22 contents, 13 pages of narrative testimony, Schedules

1 1.01 through 1.11, both W and S designations. This  
2 document was filed via the Commission's e-Docket  
3 system on December 9, 2008.

4 And Staff also moves for admission  
5 into the record of ICC Staff Exhibit 1.1 which is the  
6 affidavit of Mary H. Everson, and this document was  
7 filed on the Commission's e-Docket system on February  
8 6, 2009.

9 Further, Staff moves for admission  
10 into the record of ICC Staff Exhibit 2.0 which is the  
11 direct testimony of Thomas Q. Smith which consists of  
12 a cover page, six pages of narrative testimony, and  
13 Schedules 2.01 and 2.02. This document was filed on  
14 the Commission's e-Docket system on December 9, 2008.

15 Staff also moves for admission into  
16 the record of ICC Staff Exhibit 2.1 which is the  
17 affidavit of Thomas Q. Smith. This document was  
18 filed via the Commission's e-Docket system on  
19 February 6, 2009.

20 Staff moves for admission into the  
21 record of ICC Staff Exhibit 3.0 which is the direct  
22 testimony of Sheena Kight-Garlisich which consists of



1 a cover page, a table of contents, 25 pages of  
2 narrative testimony and Schedules 3.1 through 3.6.  
3 This document was filed on the Commission's e-Docket  
4 system on December 9, 2008.

5 Staff also moves for admission into  
6 the record of ICC Staff Exhibit 3.1 which is the  
7 affidavit of Sheena Kight-Garlisch and this document  
8 was filed on the Commission's e-Docket system on  
9 February 6, 2009.

10 Staff also moves for admission into  
11 the record of ICC Staff Exhibit 4.0 which is the  
12 direct testimony of Christopher L. Boggs which  
13 consists of a cover page, ten pages of narrative  
14 testimony and Schedules 1, 2 and 3. This document  
15 was filed via the Commission's e-Docket system on  
16 December 9, 2008.

17 Staff moves for admission into the  
18 record of ICC Staff Exhibit 5.0 which is the rebuttal  
19 testimony of Christopher L. Boggs which consists of a  
20 cover page, six pages of narrative testimony and  
21 Attachment 5.01. This document was filed via the  
22 Commission's e-Docket system on February 4, 2009.

1                   Staff also moves for admission into  
2                   the record of ICC Staff Exhibit 5.1 which is the  
3                   affidavit of Christopher L. Boggs. This document was  
4                   filed with the Commission's e-Docket system on  
5                   February 6, 2009.

6                   And that would be all the exhibits and  
7                   testimony we have to offer at this time, Your Honor.

8                   JUDGE TAPIA: Thank you, Mr. Olivero.  
9                   Mr. Spurgeon, is there any objection to the admission  
10                  of those exhibits?

11                  MR. SPURGEON: No.

12                  JUDGE TAPIA: Hearing no objection, the  
13                  exhibits are entered into evidence, the direct  
14                  testimony of Mary Everson as 1.0, Exhibit 1.1 which  
15                  is the affidavit of Mary H. Everson, also 1.1 through  
16                  1.11, WS designation. Also the direct testimony of  
17                  Thomas Smith, Exhibit 2.1 which is the affidavit of  
18                  Thomas Smith, and 2.01 and also 2.02 are admitted  
19                  into evidence.

20                  Direct testimony of Sheena  
21                  Kight-Garlsch, direct testimony 3.0, the affidavit  
22                  of Sheena Kight-Garlsch is Exhibit 3.1, also 3.1

1 through 3.6 is admitted into evidence.

2 The direct testimony of Christopher  
3 Boggs which is 4.0, the affidavit of Christopher  
4 Boggs which is Exhibit 5.1 and 5.01.

5 Did I miss anything, Mr. Olivero?

6 MR. OLIVERO: Did you get ICC Staff Exhibit  
7 5.0?

8 JUDGE TAPIA: I may have missed. I may not  
9 have been paying attention. I don't think I did.  
10 5.0 is admitted into evidence.

11 MR. OLIVERO: Thank you.

12 (Whereupon ICC Staff Exhibits  
13 1.0, 1.1, 2.0, 2.1, 3.0, 3.1,  
14 4.0, 5.0 and 5.1 were admitted  
15 into evidence.)

16 JUDGE TAPIA: Does the Company have any  
17 exhibits they would like to enter into evidence?

18 MR. SPURGEON: No.

19 JUDGE TAPIA: Thank you. Is there anything  
20 else that any of the parties would like to enter into  
21 evidence here today or part of the record?

22 MR. OLIVERO: Your Honor, can we have just a

1 second, please?

2 JUDGE TAPIA: We will go off the record for a  
3 minute.

4 (Whereupon there was then had an  
5 off-the-record discussion.)

6 JUDGE TAPIA: We are back on the record.

7 Mr. Olivero, did you want anything?

8 MR. OLIVERO: I think the Company wanted to  
9 clarify in terms of putting any documents into the  
10 evidentiary record. There are a couple that I think  
11 they wanted to put into the record, starting with  
12 their suspended tariff language. I think they had  
13 some financial statements and then some direct  
14 testimony on August 12. But I will let Mr. Spurgeon.

15 JUDGE TAPIA: Okay. Mr. Spurgeon.

16 MR. SPURGEON: Yes. I would like to enter into  
17 evidence here, yeah, this is a cover letter about the  
18 suspended tariffs that has our copy of our financial  
19 sheets. And we also have a copy here of a direct  
20 testimony by Olen Spurgeon. He is the president of  
21 the company, my father.

22 JUDGE TAPIA: And those were filed, I am sorry,

1 on August 12?

2 MR. SPURGEON: I am sorry, August 12, right.

3 And we have another one here. On  
4 January 8, 2009, he also has a direct testimony and  
5 he's got a depreciation schedule 3, 4, 5, 6, and a  
6 water and sewer bill form, and a verification of all  
7 these that I just mentioned.

8 JUDGE TAPIA: Anything else, Mr. Spurgeon?

9 MR. SPURGEON: I think that covers it.

10 JUDGE TAPIA: Mr. Spurgeon, did you file or did  
11 the Company file on behalf of Mr. Spurgeon, your  
12 father, affidavits?

13 MR. SPURGEON: To my knowledge everything is.

14 JUDGE TAPIA: And would you happen to know when  
15 they were filed?

16 MR. SPURGEON: No, I do not.

17 JUDGE TAPIA: But you are sure that it was  
18 filed?

19 MR. SPURGEON: Yes.

20 JUDGE TAPIA: I ask that because otherwise I  
21 won't close the record.

22 MR. SPURGEON: No, we should be up-to-date on

1 everything right now.

2 MR. OLIVERO: Your Honor, if I can interrupt?

3 JUDGE TAPIA: Yes.

4 MR. OLIVERO: I think in terms of the -- there  
5 was a verification filed with the direct testimony on  
6 January 8, 2009.

7 And just for clarification and,  
8 Mr. Spurgeon, you can correct me if I am wrong, even  
9 though that was designated as direct testimony, that  
10 was in response to Staff's direct testimony. So we  
11 were considering it as rebuttal testimony. And I  
12 believe there was a verification filed with the  
13 August 12, but that I don't know for sure as well.

14 JUDGE TAPIA: Mr. Olivero, are there any  
15 objections to the admission of those exhibits?

16 MR. OLIVERO: No, Your Honor.

17 JUDGE TAPIA: Hearing no objection, the  
18 admission of the Company's suspended tariffs,  
19 financial sheets, direct testimony or the rebuttal  
20 testimony of Mr. Spurgeon filed on August 12, also  
21 testimony filed by Mr. Spurgeon on January 8 of 2009,  
22 and a depreciation schedule will be admitted into

1 evidence.

2 Mr. Spurgeon, have I missed any  
3 exhibits?

4 MR. SPURGEON: I don't believe so.

5 MR. OLIVERO: Your Honor, if I could clarify,  
6 there were four depreciation schedules and then one  
7 water and sewer bill form that were also filed on  
8 that January 8, 2009.

9 JUDGE TAPIA: Let the record reflect  
10 Mr. Olivero's statement regarding the four  
11 depreciation schedules and the water and sewer  
12 statement.

13 MR. OLIVERO: Thank you, Your Honor.

14 (Whereupon Sundale Utilities  
15 tariffs, financial sheet, direct  
16 testimony, rebuttal testimony,  
17 depreciation schedules and water  
18 and sewer bill form were  
19 admitted into evidence.)

20 JUDGE TAPIA: Is there anything else that any  
21 parties would like to be part of the record here  
22 today?

1                   Is there any reason why we should keep  
2 the record open?

3           MR. OLIVERO:   No.

4           JUDGE TAPIA:   Before I close it, I would like  
5 to -- prior to getting on the record, the parties  
6 anticipated supplying me with a draft joint proposed  
7 order, is that correct Mr. Olivero?

8           MR. OLIVERO:   That is correct, Your Honor.

9           JUDGE TAPIA:   And it would be in the  
10 neighborhood of sometime either the first week or the  
11 second week of March?

12          MR. OLIVERO:   Yes.   If we could go off the  
13 record just for another second.

14          JUDGE TAPIA:   Yes, absolutely.

15                           (Whereupon there was then had an  
16 off-the-record discussion.)

17          JUDGE TAPIA:   We are back on the record.

18                   Mr. Olivero?

19          MR. OLIVERO:   Yes, Your Honor, we would  
20 suggest, if this is agreeable with Sundale, March 10  
21 as the date for actually filing the proposed order,  
22 and we will try and get a copy prior to that date to



1 Mr. Spurgeon.

2 MR. SPURGEON: That's fine.

3 JUDGE TAPIA: Okay. Then March 10 will be the  
4 due date, filing date, for the joint draft proposed  
5 order between the parties.

6 Anything else, Mr. Olivero and  
7 Mr. Spurgeon, that you want part of the record today  
8 or any business that we need to cover in regards to  
9 this case?

10 MR. SPURGEON: I don't have anything.

11 MR. OLIVERO: Nothing on behalf of Staff, Your  
12 Honor.

13 JUDGE TAPIA: I will note that this case will  
14 be marked heard and taken as of today. Thank you.

15 HEARD AND TAKEN

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